A-Level Business

Learn these by heart before the exam. 考试前把这些内容背熟。

Business and its environment

Stakeholder 利益相关者: any group affected by a business –owners, employees, customers, suppliers, government, the community; their aims often conflict

Sectors: primary (raw materials), secondary (manufacturing), tertiary (services), quaternary (knowledge).

Ownership: sole trader and partnership (unlimited liability) vs private and public limited companies (limited liability).

Opportunity cost 机会成本: the next-best alternative given up when a business decision is made

Marketing

Marketing mix (4 Ps): Product, Price, Place, Promotion –extended for services with People, Process, Physical evidence.

Market share 市场份额: a firm's sales as a % of total market sales; a measure of competitiveness

$$\text{market share} = \frac{\text{firm sales}}{\text{total market sales}} \times 100\%$$

Pricing: penetration (low to enter), skimming (high for new tech), cost-plus, competitive, price discrimination.

Elasticity of demand 需求弹性: how much quantity responds to a price change; inelastic products can raise price and earn more revenue

Operations and people

$$\text{productivity} = \frac{\text{output}}{\text{number of workers}}$$ 生产率

Economies of scale 规模经济: average cost per unit falls as output rises; diseconomies (poor communication, low morale) raise it again

Quality: quality control (inspect at the end) vs quality assurance / TQM (build it in at every stage).

Motivation theories 激励理论: Taylor (pay), Maslow (hierarchy of needs), Herzberg (hygiene factors vs motivators)

Leadership styles: autocratic, democratic, paternalistic, laissez-faire –suit different situations.

Finance and accounting

$$\text{break-even} = \frac{\text{fixed costs}}{\text{price} - \text{variable cost per unit}}$$ 盈亏平衡

$$\text{contribution} = \text{price} - \text{variable cost per unit}$$ 边际贡献

$$\text{gross profit} = \text{revenue} - \text{cost of sales}$$ 毛利润

$$\text{net profit margin} = \frac{\text{net profit}}{\text{revenue}} \times 100\%$$ 净利润率

Working capital 营运资本: current assets − current liabilities; the day-to-day cash a business needs to pay its bills

$$\text{current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$ liquidity; a healthy value is around 1.5-2 流动比率

Strategy

SWOT analysis: internal Strengths and Weaknesses, external Opportunities and Threats.

Ansoff matrix 安索夫矩阵: growth routes –market penetration, market development, product development, diversification (rising risk)

Investment appraisal: payback period, average rate of return (ARR), net present value (NPV).

Economies of scope 范围经济: cost savings from producing a range of related products together rather than separately

Change management: Kotter's steps; overcome resistance with communication, involvement and training.